



*"I'm proud to pay taxes
in the United States; the
only thing is, I could be
just as proud for half the
money."*

Arthur Godfrey

Income Tax Credits

Earned Income Tax Credit

This is a refundable credit for low-income working individuals and families. Income and family size determine the amount of the EITC. When the EITC exceeds the amount of taxes owed, it results in a tax refund to those who claim and qualify for the credit. For more information, see IRS Publication 596, Earned Income Credit (EIC).

Child Tax Credit

This credit is for people who have a qualifying child. The maximum amount of the credit is \$1,000 for each qualifying child. This credit can be claimed in addition to the credit for child and dependent care expenses. For more information, see IRS Pub. 972, Child Tax Credit.

Child and Dependent Care Credit

This is for expenses paid for the care of children under age 13, or for a disabled spouse or dependent, to enable the taxpayer to work. The amount of qualifying expenses is limited. The credit is a percentage of those qualifying expenses. For more information, see IRS Pub. 503, Child and Dependent Care Expenses.

Adoption Credit

Adoptive parents can take a tax credit of up to \$10,390 for qualifying expenses paid to adopt an eligible child. A credit of up to \$10,390 may be allowed for the adoption of a child with special needs, even if you do not have any qualifying expenses. For more information, see IRS Pub. 968, Tax Benefits for Adoption.

Credit for the Elderly and Disabled

This credit is available to individuals who are either age 65 or older or are under age 65 and retired on permanent and total disability, and who are citizens or residents. There are income limitations. For more information, see IRS Pub. 524, Credit for the Elderly or the Disabled.

Education Credits

Two credits are available - the Hope Credit and the Lifetime Learning Credit - for people who pay higher education costs. The Hope Credit is for payment of the first two years of tuition and related expenses for an eligible student for whom the taxpayer claims an exemption. The Lifetime Learning Credit is available for all post-secondary education for an unlimited number of years. A taxpayer cannot claim both credits for the same student in one year. For more information, see IRS Pub. 970, Tax Benefits for Education.

Retirement Savings Contribution Credit

Eligible individuals may be able to claim a credit for a percentage of their

EDWARD LEONARD

Franklin County Treasurer

their qualified retirement savings contributions, such as contributions to a traditional or Roth IRA or salary reduction contributions to a SEP or SIMPLE plan. To be eligible, you must be at least age 18 at the end of the year and not a student or an individual for whom someone else claims a personal exemption. Also, your adjusted gross income (AGI) must be below a certain amount. For more information, see IRS Pub. 590 (Chapter 4), Individual Retirement Arrangements.

There are other credits available to eligible taxpayers. For more information, visit the IRS's website at: www.irs.gov or call the toll-free IRS Tax Help Line at 1-800-829-1040.

